final rules section of this **Federal Register**.

Executive Order 12866 Review

The HON rule promulgated on April 22, 1994 was considered ''significant'' under Executive Order 12866 and a regulatory impact analysis (RIA) was prepared. Today's proposed revisions clarify the rule and do not add any additional control requirements. The EPA believes that these revisions would have a negligible impact on the results of the RIA and the change is considered to be within the uncertainty of the analysis.

Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980 requires the identification of potentially adverse impacts of Federal regulations upon small business entities. The Act specifically requires the completion of a Regulatory Flexibility Analysis in those instances where small business impacts are possible. Because this rulemaking imposes no adverse economic impacts, a Regulatory Flexibility Analysis has not been prepared.

List of Subjects in 40 CFR Part 63

Environmental protection, Air pollution control, Hazardous substances, Reporting and recordkeeping requirements.

Dated: March 28, 1995.

Carol M. Browner,

Administrator.

[FR Doc. 95–8200 Filed 4–7–95; 8:45 am]

BILLING CODE 6560–50–P

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40 CFR Part 799

[OPPTS–42111E, FRL–4927–8]

RIN 2070–AB94

Test Rule; Office of Water Chemicals Proposed Withdrawal of Certain Testing Requirements

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing to withdraw certain testing requirements for two of the chemical substances listed in the Office of Water chemicals test rule published in the **Federal Register** of November 10, 1993 (58 FR 59667). EPA required specified health effects testing for the two chemical substances because the substances are produced in substantial quantities and there may be substantial exposure to these substances, there are insufficient data to determine or predict the health effects from exposure to these substances in drinking water, and the testing required is necessary to determine or predict these health effects. EPA believes that data recently made available to it are sufficient to determine or predict the health effects posed by short and long-term exposures to 1,1-dichloroethane in drinking water and are sufficient to determine or predict the health effects posed by long-term exposures to 1,1,2,2-tetrachloroethane in drinking water. Therefore, EPA is proposing the withdrawal of the 90–day subchronic testing requirement for 1,1,2,2-tetrachloroethane and the 90–day and 14–day testing requirements for 1,1-dichloroethane.

DATES: Written comments must be received by EPA on or before May 10, 1995.

ADDRESSES: Submit written comments, identified by the document control number (OPPTS–42111E) in triplicate to: TSCA Document Receipts Office (Mail stop 7407), Office of Pollution Prevention and Toxics, Environmental Protection Agency, Rm. ET G–99, 401 M St., SW., Washington, DC, 20460. A public version of the administrative record supporting this action, without confidential business information, is available for inspection at the above address from 12 p.m. to 4 p.m., Monday through Friday, except legal holidays.

FOR FURTHER INFORMATION CONTACT: James G. Willis, Acting Director, Environmental Assistance Division (7408), Office of Pollution Prevention and Toxics, 401 M St., SW., Washington, DC 20460, (202) 554–1404, TDD (202) 554–0551.

SUPPLEMENTARY INFORMATION: EPA is proposing to withdraw the 90–day subchronic testing requirement for 1,1,2,2-tetratchloroethane and the 90–day and 14–day testing requirements for 1,1-dichloroethane in the Office of Water chemicals test rule referenced above.

I. Proposed Modification

Pursuant to section 4 of the Toxic Substances Control Act (TSCA), EPA proposed a test rule in the **Federal Register** of May 24, 1990 (55 FR 21393) and finalized the test rule in the **Federal Register** of November 10, 1993 (58 FR 59667), finding that four chemical substances; chloroethane (CAS No. 75–00–3); 1,1-dichloroethane (CAS No. 75–34–3); 1,1,2,2-tetrachloroethane (CAS No. 79–34–5); and 1,3,5-trimethylbenzene (CAS No. 108–67–8) are produced in substantial quantities and that there may be substantial exposure to these substances, that there are insufficient data to determine or predict the health effects from short and long-term exposures to the substances in drinking water, and that testing is required to determine or predict the health effects from short and long-term exposures. Thus, EPA required subacute toxicity (oral 14–day repeated dose) and subchronic (oral 90–day) toxicity tests. The data from these studies would be used to develop Health Advisories (HA's) for the four unregulated drinking water contaminants that are monitored under section 1445 of the Safe Drinking Water Act (SDWA).

EPA has recently received requests to withdraw all or part of the testing required for two substances, 1,1-dichloroethane and 1,1,2,2-tetrachloroethane. On June 28, 1994, the Halogenated Solvents Industry Alliance (HSIA) requested that EPA revoke the subchronic (oral 90–day) toxicity test requirements for 1,1,2,2-tetrachloroethane (Ref. 1). This request was based on the availability of a 90–day subchronic toxicity drinking water study of 1,1,2,2-tetrachloroethane conducted in rats and mice by the National Toxicology Program (Ref. 2). EPA reviewed this study and believes that the study is sufficient to meet the 90–day subchronic toxicity test required under the test rule and to establish long-term Health Advisories for the Office of Water (OW) (Ref. 3). Therefore, EPA believes it is appropriate to withdraw the 90–day subchronic testing requirements for 1,1,2,2-tetrachloroethane.

HSIA also requested that EPA withdraw the 14– and 90–day subchronic toxicity testing required under the test rule for 1,1-dichloroethane. This request was based on a study conducted by Muralidhara et al. (Ref. 6) that characterizes the acute (24 hour), subacute (5 and 10 days), and the subchronic (90 days) toxicity potential of 1,1-dichloroethane. EPA reviewed the study and believes the study is sufficient to determine or predict both the short and long-term effects of exposure to 1,1-dichloroethane (Ref. 7). Therefore, EPA believes it is appropriate to withdraw both the 14– and 90–day subchronic toxicity tests required for 1,1-dichloroethane under the test rule for the OW substances.

EPA is providing 30 days from publication of this proposed modification for submission of written comments on the elimination of the subchronic toxicity (oral 90–day) test requirement for 1,1,2,2-tetrachloroethane and of both the subacute (oral 14–day repeated dose) and subchronic (oral 90–day) toxicity test requirements for 1,1,2,2-tetrachloroethane. If the 30 day deadline passes and no public comments have

been received that cause a change in the position set forth in this Notice, EPA will grant the proposed modification to delete these tests and publish a notice to the effect in the **Federal Register**.

II. Comments Containing Confidential Business Information

Any person who submits comments that certain information claimed as confidential business information must label the specific information claimed as confidential by circling, bracketing, or underlining it, and marking it ''confidential,'' ''trade secret,'' or other appropriate designation. Comments not claimed as confidential at the time of submission will be placed in the public file without further notice to the submitter. Any comments marked as confidential will be treated in accordance with the procedures in 40 CFR part 2. Any party submitting confidential comments must prepare and submit a public version of the comments for the EPA public file.

III. Rulemaking Record

EPA has established a docket for this rulemaking (docket number OPPTS–42111E). Currently, this docket contains the basic information considered by EPA in developing this proposal.

A public version of the record, from which all information claimed as CBI has been deleted, is available for inspection in the TSCA Nonconfidential Information Center, B–607, NE Mall, 401 M St., SW., Washington, DC. 20460, from 12 noon to 4 p.m., Monday through Friday, except legal holidays.

The record includes the following information:

(1) Halogenated Solvents Industry Alliance (HSIA). Letter from Peter Voytek, Ph.D. to Connie Musgrove, USEPA entitled ''Request for Modification of Study Requirements''. (June 28, 1994).

(2) National Institute of Environmental Health Sciences (NIEHS). Letter from William Eastin, Ph.D. to Roger Nelson, USEPA (July 7, 1994) with two attachments:

(a) Pathco. ''Chairperson's Report Structure Activity Relationship Studies of Halogenated Ethane-Induced Accumulation of Alpha-2U-Globulin in the Male Rat Kidney: Part A, B, C, -Studies Conducted in F344 Rats at Microbiological Associates''.

(b) Microbiological Associates, Inc. Final Report Study Nos. 03554.11 – 03554.12, 1,1,2,2-Tetrachloroethane (TCE).

(3) USEPA. Memorandum from Bruce Mintz to Roger Nelson ''Request for Office of Water Recommendation for Approval/Disapproval of 28 Jun 1994 HSIA Request for Modification of Test Standards for 1,1-Dichloroethane and 1,1,2,2-Tetrachloroethane (Office of Water Test Rule)''.

(4) Voytek, P. Note (Fax) to Roger Nelson entitled ''Preliminary Testing of 1,1-Dichloroethane in Drinking Water''. (Aug. 3, 1994).

(5) Unpublished. Original Draft of Report to EPA HERL, Cincinnati in 1986. James V. Bruckner, Ph.D. (Undated).

(6) Muralidhara, S., R. Ramanathan, C.E. Dallas and J.V. Bruckner. ''Acute, Subacute and Subchronic Oral Toxicity Studies of 1,1-Dichloroethane (DCE) in Rats''. *Society of Toxicology Abstract.* (1986).

(7) USEPA. Memorandum from Krishan Khanna to Roger Nelson ''Review of 1,1-Dichloroethane (DCE) Data (TSCA Test Rule for Office of Water Chemicals).'' Nov. 15, 1994.

IV. Regulatory Assessment Requirements

A. Executive Order 12866

Under Executive Order 12866 (58 FR 51735, October 4, 1993), the Agency must determine whether the regulatory action is ''significant'' and therefore subject to review by the Office of Management and Budget (OMB) and the requirements of the Executive Order. Under section 3(f), the order defines a ''significant regulatory action'' as an action that is likely to result in a rule (1) having an annual effect on the economy of $100 million or more, or adversely and materially affecting a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or tribal governments or communities (also referred to as ''economically significant''); (2) creating serious inconsistency or otherwise interfering with an action taken or planned by another agency; (3) materially altering the budgetary impacts of entitlement, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raising novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

Pursuant to the terms of this Executive Order, it has been determined that this proposed rule is not ''significant'' and is therefore not subject to OMB review.

B. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.), I certify that this test rule, if promulgated, would not have a significant impact on a substantial number of small businesses because the proposed amendment would relieve a regulatory obligation to conduct certain chemical tests.

C. Paperwork Reduction Act

OMB has approved the information collection requirements contained in this proposed test rule under the provisions of the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 et seq., and has assigned OMB Control number 2070–0033.

This proposed rule would reduce the public reporting burden associated with the testing requirement under the final test rule. A complete discussion of the reporting burden is contained at 58 FR 59680.

List of Subjects in 40 CFR Part 799

Chemicals, Chemical export, Environmental protection, Hazardous substances, Health effects, Laboratories, Provisional testing, Reporting and recordkeeping requirements, Testing, Incorporation by reference.

Authority: 15 U.S.C. 2603

Dated: March 31, 1995.

Lynn R. Goldman,

Assistant Administrator for Prevention, Pesticides and Toxic Substances.

Therefore, it is proposed that 40 CFR, chapter I, subchapter R, part 799 be amended as follows:

PART 799 — [AMENDED]

a. The authority citation for part 799 would continue to read as follows:

Authority: 15 U.S.C. 2601, 2603, 2611, 2625.

b. In §799.5075 by revising paragraphs (a)(1), (c)(1)(i)(A), (c)(2)(i)(A), and (d)(1) to read as follows:

§799.5075 Drinking water contaminants subject to testing.

(a) * * *

(1) Chloroethane (CAS No. 75–00–3), 1,1,2,2-tetrachloroethane (CAS No. 79–34–5), and 1,3,5-trimethylbenzene (CAS No. 108–67–8) shall be tested as appropriate in accordance with this section.

* * * * *

(c) * * *

(1) * * *

(i) * * *

(A) An oral 14–day repeated dose toxicity test shall be conducted with chloroethane, 1,1,2,2-tetrachloroethane, and 1,3,5-trimethylbenzene in accordance with §798.2650 of this chapter except for the provisions in §§798.2650(a); (b)(1); (c); (e)(3), (4)(i), (5), (6), (7)(i), (iv), (v), (8)(vii), (9)(i)(A), (B), (11)(v); and (f)(2)(i). Each substance shall be tested in one mammalian species, preferably a rodent, but a non-rodent may be used. The species and strain of animals used in this test should be the same as those used in the 90–day subchronic test required in paragraph (c)(2)(i) of this section. The tests shall be performed using drinking water. However, if, due to poor stability or palatability, a drinking water test is not

feasible for a given substance, that substance shall be administered either by oral gavage, in the diet, or in capsules.

* * * * *

(2) * * *

(i) * * *

(A) An oral 90–day subchronic toxicity test shall be conducted with chloroethane and 1,3,5-trimethylbenzene in accordance with §798.2650 of this chapter except for the provisions in §798.2650(e)(3), (7)(i), and (11)(v). The tests shall be performed using drinking water. However, if, due to poor stability or palatability, a drinking water test is not feasible for a given substance, that substance shall be administered either by oral gavage, in the diet, or in capsules.

* * * * *

(d) * * * (1) This section is effective on December 27, 1993, except for paragraphs (a)(1), (c)(1)(i)(A), and (c)(2)(i)(A). Paragraphs (a)(1), (c)(1)(i)(A), and (c)(2)(i)(A) are effective (insert date 44 days after publication of the final rule in the **Federal Register**).

* * * * *

[FR Doc. 95–8734 Filed 4–7–95; 8:45 am]

BILLING CODE 6560–50–F

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3100

[WO–610–00–4110–2411]

RIN 1004–AC26

Promotion of Development, Reduction of Royalty on Heavy Oil

AGENCY: Bureau of Land Management, Interior.

ACTION: Proposed rule.

SUMMARY: The Bureau of Land Management (BLM) is issuing this proposed rule to amend the regulations relating to the waiver, suspension, or reduction of rental, royalty, or minimum royalty. This amendment would establish the conditions under which the operators of properties that produce ''heavy oil'' (crude oil with a gravity of less than 20 degrees) can obtain a reduction in the royalty rate. This action is being taken to encourage the operators of Federal heavy oil leases to place marginal or uneconomical shut-in oil wells back in production, provide an economic incentive to implement enhanced oil recovery projects, and delay the plugging of these wells until the maximum amount of economically recoverable oil can be obtained from the reservoir or field. The BLM believes that this amendment will result in substantial additional revenue for the States and Federal Government, increase the cumulative amount of domestic oil production from existing wells, increase the percentage of oil recovery from presently developed reservoirs, minimize the necessity of drilling new wells with their additional environmental impacts, assist in reducing the national balance of trade deficit, and help promote stability in the jobs and services related to the domestic oil industry.

DATES: Comments should be submitted by June 9, 1995. Comments postmarked after this date may not be considered as part of the decisionmaking process in issuance of a final rule.

ADDRESSES: Comments should be sent to: Director (140), Bureau of Land Management, Room 5555, Main Interior Building, 1849 C Street, N.W., Washington, D.C. 20240. Comments will be available for public review in Room 5555 at the above address during regular business hours (7:45 a.m. to 4:15 p.m.), Monday through Friday.

FOR FURTHER INFORMATION CONTACT: Dr. John W. Bebout, Bureau of Land Management, (202) 452–0340.

SUPPLEMENTARY INFORMATION: Existing section 3103.4–1 of Title 43, Code of Federal Regulations, provides two forms of Federal oil and gas royalty reduction: on a case-by-case basis upon application, and for stripper wells. In order to encourage the greatest ultimate recovery of oil or gas and in the interest of conservation, the Secretary, upon a determination that it is necessary to promote development, or that a lease cannot be successfully operated under the terms provided therein, may reduce the royalty on an entire leasehold or any portion thereof. The provision concerning stripper well properties allows royalty reduction for properties that produce an average of less than 15 barrels of oil per eligible well per well-day.

The Bureau of Land Management (BLM) has reason to believe that additional royalty relief for producers of heavy crude oil may be necessary to maintain current levels of development, promote investment in enhanced recovery efforts, and encourage maximum recovery of the resource, thus warranting royalty reduction under Section 39 of the Mineral Leasing Act (30 U.S.C. 209).

Fluctuating oil prices, combined with high production costs, have resulted in an uncertain economic future for producers of low gravity crude oil. As recently as last January, California producers of heavy crude were spending between $9 and $10 to produce a barrel of crude oil that was typically selling for between $8.50 and $9 per barrel (from data provided by the Conservation Commission of California Oil and Gas Producers). When depreciation, depletion, and amortization costs were considered, nearly 69% of the state's production was uneconomic and more than 13,000 industry and industry-related jobs were at risk (California Independent Petroleum Association).

Heavy crude oil prices have recently risen to the point that the immediate crisis in California has passed. Many of the heavy oil properties remain only marginally economic, however, and are vulnerable to future down-turns in oil prices. As many as two-thirds of the marginal properties could be lost during a period of sustained low oil prices (National Petroleum Council Committee on Marginal Wells/Executive Summary—Draft). The danger in losing these wells is that, although production from individual wells may be small, their collective loss would be significant. The United States would lose the opportunity to take advantage of new technologies being developed by the Department of Energy (DOE) and industry, and the remaining recoverable reserves would be lost.

This proposed rule would preserve the contribution of marginal producers of heavy crude oil to the national reserve base. As a result of this relief, more wells should stay on line (even in periods of depressed oil prices), fewer recoverable reserves should be lost, and there will be less adverse economic impact on States and local communities.

The DOE has modeled the BLM's proposed royalty rate reduction for heavy crude oil. It is DOE's conclusion that the proposal will benefit all producers of heavy oil while remaining revenue neutral to all oil producing States except California (California contains the majority of the nation's heavy oil reserves). Assuming a West Texas Intermediate Crude oil price of $20 per barrel—a price consistent with recent oil markets—the proposal can be expected to increase recoverable reserves in California by around 72 percent, from 132.8 million barrels to 228.5 million barrels.

A provision of the proposed rule provides for the termination of individual royalty reductions should the average price of West Texas Intermediate Crude oil rise to a level greater than $24 per barrel for a period of at least 6 consecutive months. This provision is intended to ensure that